

## Message Text

LIMITED OFFICIAL USE

PAGE 01 TEHRAN 04468 110402Z  
ACTION NEA-11

INFO OCT-01 ISO-00 H-01 PA-01 COM-02 SP-02 ICA-11  
AID-05 EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01  
CEA-01 CIAE-00 FRB-03 INR-10 NSAE-00 XMB-02  
OPIC-03 LAB-04 SIL-01 /094 W  
-----066611 110916Z /17  
R 101048Z MAY 78  
FM AMEMBASSY TEHRAN  
TO SECSTATE WASHDC 8256

LIMITED OFFICIAL USE TEHRAN 04468

E.O. 11652: N/A  
TAGS: EFIN, IR  
SUBJ: BANKING-CITIBANK SALE OF EQUITY IN IRANIANS  
BANK

REF: TEHRAN 1398

1. CITIBANK'S IRAN COUNTRY HEAD KELLEY IN CONFIDENCE TOLD EMBOFF THAT SALE OF BULK OF CITIBANK'S 35 PERCENT EQUITY IN IRANIANS BANK IS IMMINENT AND ALONG LINES DESCRIBED IN REFTEL. AGREEMENT ON AN ACCEPTABLE SHARE PRICE HAS BEEN ACHIEVED AND CENTRAL BANK OF IRAN APPROVAL IS VIRTUALLY CERTAIN. KELLEY UNDERSTANDS THAT AGREEMENT IN PRINCIPLE OF THE SALE WAS OBTAINED "THE TOP" OF THE GOI. AN APPEALING FEATURE OF THE SALE TO THE CBI REPORTEDLY IS THE INCREASED NUMBER OF IRANIANS BANK EMPLOYEES AS SHAREHOLDERS WHICH WILL RESULT, ALTHOUGH SOME OF ITS CURRENT OWNERS' EQUITY IS ALSO EXPECTED TO INCREASE. THE THREE CITIBANK OFFICERS IN THE BANK WILL BE TERMINATED EFFECTIVE THE DAY OF THE SALE. THE MINIMAL EQUITY TO BE RETAINED BY CITIBANK, ONCE IDENTIFIED AS 8 TO 10 PERCENT, WILL BE STRICTLY PORTFOLIO AND CONVEY TO CITIBANK LOGOTYPE RIGHTS TO IRANIANS BANK.  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 TEHRAN 04468 110402Z

2. THE SALE, WHEN ACCOMPLISHED, WILL BE DESCRIBED AS CONSONANT WITH CITIBANK'S WORLDWIDE POLICY OF DIVESTING WHEN IT DOES NOT HAVE MANAGEMENT CONTROL. WHILE TRUE, KELLEY ADMITS, AND THE TEHRAN FINANCIAL COMMUNITY IS AWARE, THAT, THE SALE WAS ACCELERATED BY YAZDANI'S LATE-1977 ACQUISITION OF MAJORITY CONTROL OF THE BANK,

AN ACTION REPORTED IN 77 TEHRAN 10433. THE EFFECT OF  
THIS CONTROL WAS PERCEIVED AS EXACERBATING THE BANK'S  
ALREADY IMPERFECT MANAGEMENT IMAGE AND FURTHER REDUCING  
CITIBANK'S MANAGEMENT AND POLICY IMPACT ON THE BANK  
TO THE POINT THAT IT SHOULD REMOVE ITS AFFILIATE STATUS.  
SULLIVAN

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DATA, BANK SERVICES, BANKS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 may 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978TEHRAN04468  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780199-1038  
**Format:** TEL  
**From:** TEHRAN  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1978/newtext/t19780572/aaaacizq.tel  
**Line Count:** 68  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 833330a1-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION NEA  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 TEHRAN 1398  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2730276  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BANKING-CITIBANK SALE OF EQUITY IN IRANIANS BANK  
**TAGS:** EFIN, IR, CITIBANK  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/833330a1-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
US Department of State  
EO Systematic Review  
20 Mar 2014  
**Markings:** Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014